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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:
Carolina Post Office
Carolina, West Virginia 26563

Docket No. A2011-95

UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (November 22, 2011)

On September 28, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 21, 2011, from postal customer Jack Fuller (Petitioner) objecting to the discontinuance of the Post Office at Carolina, West Virginia. On September 30, 2011, the Commission issued Order No. 888, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received an additional petition for review from William Taylor on October 12, 2011. Thereafter, between November 1 and November 7, the Commission received participant statements from Erma Colisino, Beverly Colisino, Harry Colisino, Sr., and Charles E. Marstiller, who are all customers of the Carolina Post Office. Neither Mr. Fuller nor Mr. Taylor filed a Form 61 or other pleading. In accordance with Order No. 888, the administrative record was filed with the Commission on October 13, 2011.

The appeal received by the Commission on September 28, 2011 from Mr. Fuller raises an economic issue and argues that the Postal Service's determination to close the Carolina Post Office is based solely on the fact that it operates at a deficit. The appeal received from Mr. Taylor raises no economic issues; rather, the appeal is focused on the effect the discontinuance will have on postal services and the impact it

will have on the Carolina community. The four participants' statements include a form letter signed by each of the participants, with additional comments from both Beverly and Erma Colisino. The participants raise issues of the effectiveness of the service that will be provided following discontinuance of the Carolina Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent, the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Carolina Post Office should be affirmed.

Background

The Final Determination To Close the Carolina, WV Post Office and Establish Service By Rural Route Service (FD), as well as the administrative record, indicate that the Carolina Post Office provides EAS-11 level service to 185 Post Office Box customers, no general delivery customers, and retail customers 42 hours per week.² The Postmaster of the Carolina Post Office retired on April 1, 2010.³ A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC will return to a position at a nearby office. Another non-career employee who serves as the Postmaster Relief may be separated from service.⁴ The average number of daily retail window transactions at the Carolina Post Office is 17. Revenue has been declining:

¹ See 39 U.S.C. 404(d)(2)(A).

² Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet at 1. In these comments, specific items in the administrative record are referred to as "Item No. ..."

³ Item No. 18. ⁴ Item No. 15.

\$21,638 in FY 2008; \$19,210 in FY 2009; and \$17,319 in FY 2010.⁵ The Carolina Post Office has no meter and no permit customers.⁶

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Worthington Post Office, an EAS-13 level office located two miles away, which has 511 available Post Office Boxes.⁷ This service will continue upon implementation of the FD.⁸ At customers' option, service will be provided to cluster box units (CBUs) installed on the carrier's line of travel.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Carolina Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Carolina Post Office. Questionnaires were also available over the counter for retail customers at Carolina. A letter from the Manager of Post Office Operations, Charleston, WV was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Carolina Post Office was warranted, and that effective and regular service could be provided

⁵ Item No. 18.

⁶ <u>ld.</u>

 $^{^{7}}$ Id.

⁸ FD at 254. The FD appears in the administrative record at pages 253 through 259 of the 260-page record. References to the FD in these comments will be made in the format "FD at _____" referring to the page of the administrative record.

⁹ FD at 254; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Carolina Post Office, at 1.

through rural route delivery and retail services available at the Worthington Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. 10 The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Carolina Post Office for a community meeting on April 21, 2011, to answer questions and provide information to customers. 11 Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Carolina Post Office, the Idamay Post Office and the Worthington Post Office from June 2, 2011 to August 3, 2011. The FD was posted starting on September 2, 2011 and ending on October 4, 2011, as confirmed by the round-dated FD cover sheet that appears in the administrative record.

In light of the postmaster vacancy, minimal workload, declining office revenue, 13 the variety of delivery and retail options (including the convenience of rural delivery and retail service). 14 the expectation that there will be no growth in the area, 15 minimal impact upon the community, and the expected financial savings, 16 the Postal Service issued the FD.¹⁷ Regular and effective postal services will continue to be provided to

¹⁰ Item No. 21.

¹¹ Item No. 24.

¹² Item No. 32.

¹³ Item No. 18.

¹⁴ Item No. 33.

¹⁵ Item No. 16.

¹⁶ Item Nos. 17 and 33. ¹⁷ FD at 257-259.

the Carolina community in a cost-effective manner upon implementation of the final determination.¹⁸

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Carolina Post Office on postal services provided to Carolina customers. The closing is premised upon providing regular and effective postal services to Carolina customers.

Petitioner Taylor and the other four participants raise the issue of the effect on postal services of the Carolina Post Office's closing, noting the convenience of the Carolina Post Office and requesting its retention. Petitioner Taylor expresses particular concern because of the community's "unique" location. The form letter submitted by the other participants explains that Carolina is located high upon a hill, which can make travel on the roads difficult, especially in bad weather. The participants are also concerned about having access to postal services throughout the day rather than just when they are able to meet the rural carrier, which they believe is an impractical way to conduct postal services. Likewise, they are concerned about shipping packages over 13 ounces at a nearby retail office or by using an internet payment option. Each of these concerns was considered by the Postal Service.

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¹⁸ FD at 254.

The Carolina Post Office has an average of only 17 daily retail window transactions. ¹⁹ Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Worthington Post Office. The window service hours of the Worthington Post Office are from 7:30 to 11:30 a.m. and noon to 4:00 p.m., Monday through Friday and 8:00 - 10:30 a.m. on Saturday. ²⁰ Carolina customers may also obtain retail services from the Idamay Post Office. Both the Worthington and Idamay Post Offices are within two miles of the Carolina Post Office. Customers opting for rural carrier service will have 24-hour access to their mail. ²¹

The effect of the closing of the Carolina Post Office on the shipping of packages was considered extensively by the Postal Service as explained in the FD itself. ²² Upon implementation of the Final Determination, service will be provided to CBUs installed on the carrier's line of travel, so that customers do not have to make a special trip to the Post Office for service. CBUs provide the security of individually locked mail compartments. Parcel lockers provide convenient parcel delivery for customers. Various options exist for the shipping of packages, which are explained on www.usps.com. If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. In addition, the Worthington and Idamay

¹⁹ Item No. 18.

²⁰ Id

²' FD at 254.

²² FD: Item 33.

Post Offices can provide answers to questions about possible options for the shipping of packages from a Carolina address.

The Postal Service has considered the impact of closing the Carolina Post Office upon the provision of postal services to Carolina customers. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, while alleviating the need to travel to the Post Office, which can be helpful to senior citizens and individual with disabilities.²³ The rural carriers who will be delivering to the Carolina community will be locally hired, which means that they are familiar with the challenges of traveling on these rural roads in all weather conditions. In such conditions, carrier delivery would decrease the number of drivers having to take to the roads or people needing to leave their homes to complete postal business in comparison to the current circumstances. Thus, the Postal Service properly concluded that Carolina customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Carolina Community

The Postal Service is obligated to consider the effect of its decision to close the Carolina Post Office upon the Carolina community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

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²³ Item No. 33.

Carolina is an unincorporated rural community located in Marion County. The Marion County Sheriff's Department provides police protection. The community is administered politically by the Marion County Commission, with fire protection provided by the Worthington Volunteer Fire Department. Two churches are located in the Carolina community.²⁴ The questionnaires completed by Carolina customers indicate that, in general, the people who reside in Carolina must travel elsewhere for other supplies and services.²⁵

Petitioner Taylor's letter of appeal raises the issue of the "negative impact" that the closing of the Carolina Post Office will have upon the Carolina community. Petitioner Taylor's concern, however, appears to be about the effectiveness of the Postal Service's establishment of rural delivery service to provide service to the Carolina community. Mr. Taylor believes that the Carolina community is entitled to "door to door" service. The Carolina community did not, however, receive door delivery prior to the Postal Service's consideration of discontinuing the Carolina Post Office. The establishment of rural delivery service will bring the community closer to that service than it is today. Mr. Taylor's concern that he and his neighbors will be forced to go to other communities to get money orders and to receive packages was addressed by the Postal Service, as demonstrated by the administrative record and summarized in the FD.²⁶ The Postal Service noted that these transactions could all be handled by the rural carrier.

ltem No. 18.
 ltem No. 22.
 FD at 254-257.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Carolina Post Office on the community served by the Carolina Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Carolina Post Office and would still provide regular and effective service.²⁷ The estimated annual savings associated with discontinuing the Carolina Post Office are \$43,897.²⁸

Petitioner Fuller's letter of appeal suggests that the Postal Service's rationale for discontinuing retail operations at the Carolina Post Office indicates that the office is being closed solely because it operates at a deficit, which he notes is unlawful. The Postal Service's rationale, as noted by Mr. Fuller, is that both the workload and revenue are declining in the Carolina Post Office. There are a small number of customers with a minimal number of daily retail transactions, which can be more efficiently handled by rural carrier service. There are also two other Post Offices in close proximity to the Carolina community and many post office boxes available in those locations, in case Carolina customers prefer to receive their mail in that manner. The determination to

²⁷ Item No. 21. ²⁸ Item No. 29.

discontinue the Carolina Post Office was made on the basis of multiple factors, not on any one of them alone.²⁹

Economic factors are one of several factors that the Postal Service considered. and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service determined that carrier service is more cost-effective than maintaining the Carolina postal facility and postmaster position.³⁰ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has properly considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on April 1, 2010. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC), and another non-career employee serves as the Postmaster Relief. Upon implementation of the final determination, the noncareer OIC will return to a position at a nearby post office. The Postmaster Relief may be separated. The record shows that no other employees would be affected by this closing.³¹ Therefore, in making the determination, the Postal Service

²⁹ FD at 254. ³⁰ FD at 258-259.

considered the effect of the closing on the employees at the Carolina Post Office, consistent with its statutory obligations. <u>See</u> 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Carolina Post Office on the provision of postal services and on the Carolina community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Carolina customers. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Carolina Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Carolina Post Office be affirmed.

Respectfully submitted,

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